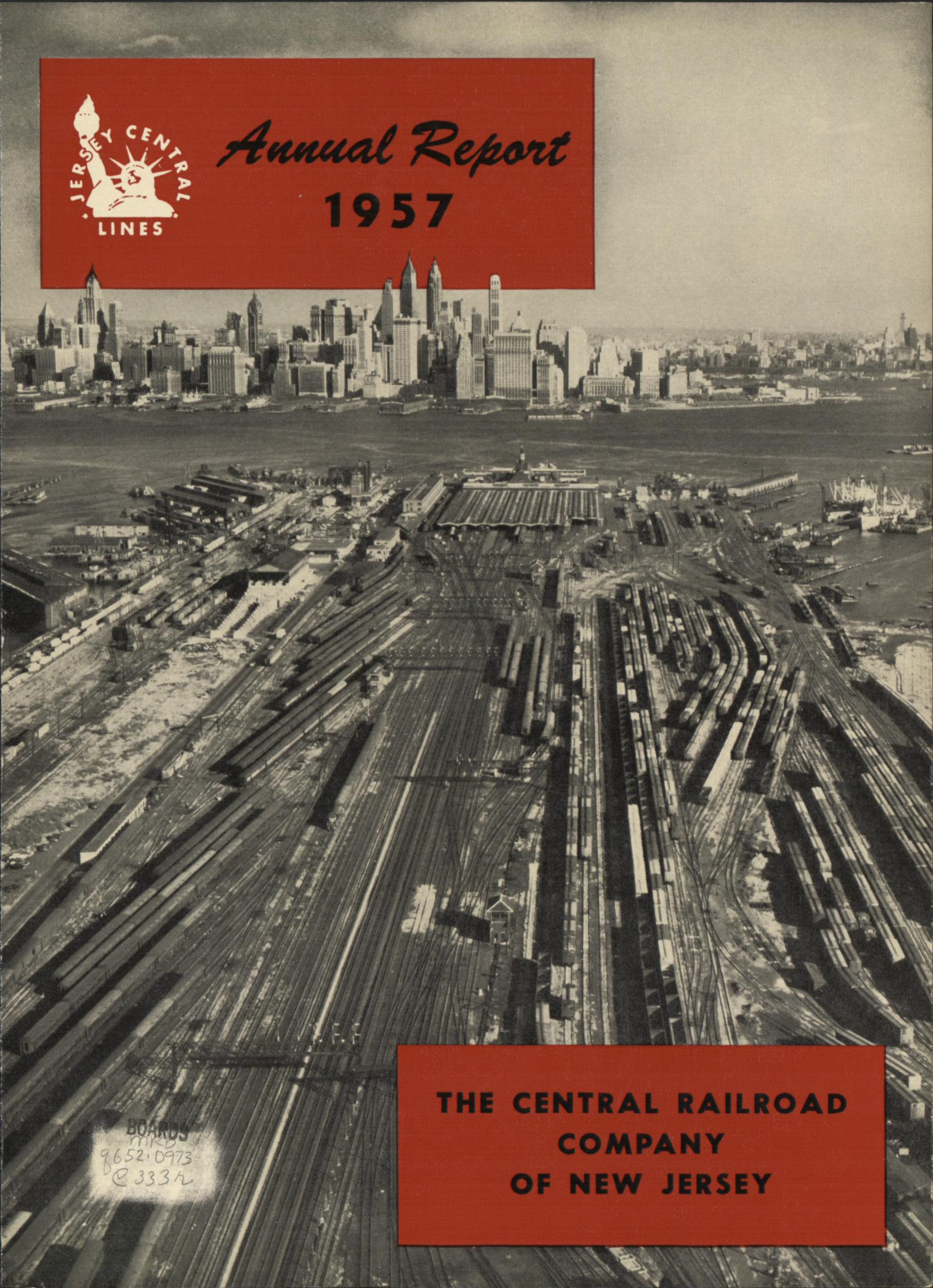
JERSEY CENTRAL LINES

Annual Report
1957



THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

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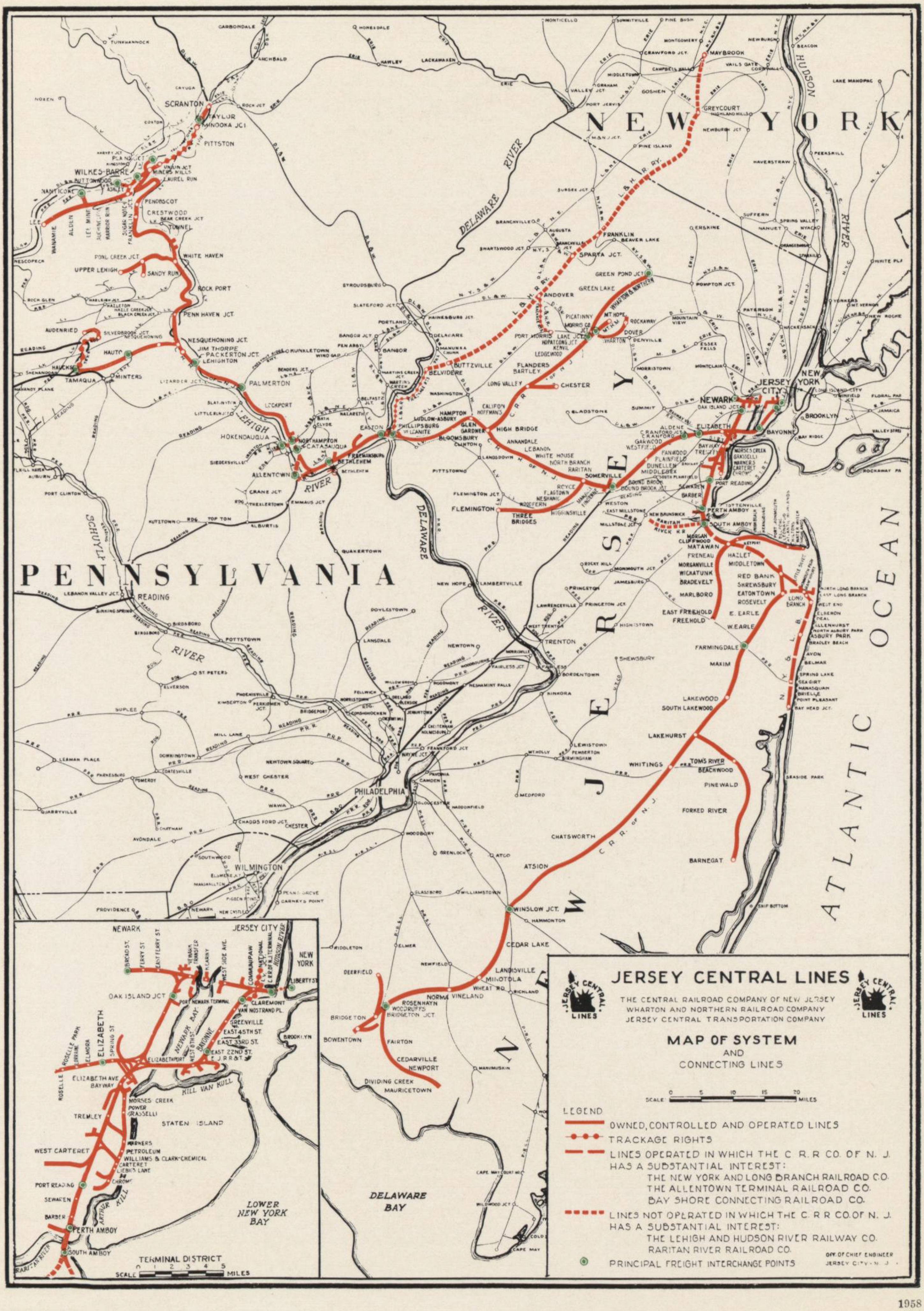


NEW YORK
PENNSYLVANIA
NEW JERSEY
ATLANTIC OCEAN
DELAWARE RIVER
HUDSON RIVER
LEHIGH RIVER
SCHUYLKILL RIVER
DELAWARE BAY
LOWER NEW YORK BAY
STATEN ISLAND
KILL VAN KULL
ARTHUR KILL
NEWARK BAY
SCRANTON
TAYLOR
MINOOKA JCT.
PITTSTON
WILKES-BARRE
NANTICOKE
ASHLEY
WHITE HAVEN
PENN HAVEN JCT.
JIM THORPE
LEHIGHTON
TAMAQUA
PALMERTON
NORTHAMPTON
CATASAUQUA
ALLENTOWN
BETHLEHEM
EASTON
PHILLIPSBURG
HAMPTON
HIGH BRIDGE
SOMERVILLE
FLEMINGTON
MAYBROOK
GREYCOURT
SPARTA JCT.
GREEN POND JCT.
LAKE JCT.
CHESTER
NEWARK
ELIZABETH
JERSEY CITY
NEW YORK
BAYONNE
BROOKLYN
PERTH AMBOY
SOUTH AMBOY
MATAWAN
RED BANK
LONG BRANCH
ASBURY PARK
BAY HEAD JCT.
LAKEWOOD
LAKEHURST
TOMS RIVER
BARNEGAT
WINSLOW JCT.
VINELAND
BRIDGETON
READING
TRENTON
PHILADELPHIA
WILMINGTON
CAPE MAY
TERMINAL DISTRICT
SCALE 0 1 2 3 4 5 MILES
SCALE 0 5 10 15 20 MILES

JERSEY CENTRAL LINES

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY
WHARTON AND NORTHERN RAILROAD COMPANY
JERSEY CENTRAL TRANSPORTATION COMPANY

MAP OF SYSTEM
AND
CONNECTING LINES

LEGEND
- OWNED, CONTROLLED AND OPERATED LINES
- TRACKAGE RIGHTS
- LINES OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE NEW YORK AND LONG BRANCH RAILROAD CO.
  - THE ALLENTOWN TERMINAL RAILROAD CO.
  - BAY SHORE CONNECTING RAILROAD CO.
- LINES NOT OPERATED IN WHICH THE C. R. R. CO. OF N. J. HAS A SUBSTANTIAL INTEREST:
  - THE LEHIGH AND HUDSON RIVER RAILWAY CO.
  - RARITAN RIVER RAILROAD CO.
- ● PRINCIPAL FREIGHT INTERCHANGE POINTS

OFF. OF CHIEF ENGINEER
JERSEY CITY, N. J.

JERSEY CENTRAL LINES

DIRECTORS

The Central Railroad Company of New Jersey

*Roy B. White, *Chairman*
*Revelle W. Brown
*J. Hamilton Cheston
Joseph A. Fisher
*Frank C. La Grange
Irving N. Like
Earl T. Moore
*Fred N. Oliver
Julius A. Rippel
James E. Smith
William I. Woodcock, Jr.
**Member, Executive Committee*

Central Railroad Company of Pennsylvania

N. Newlin Baily
Percy A. Brown
Revelle W. Brown
James D. Carpenter, Jr.
Edward J. Fox, Jr.
John W. Kress
Judson C. McLester, Jr.
Earl T. Moore
Joshua A. Rich, IV
J. L. Stackhouse
Robert A. Young

Wharton and Northern Railroad Company

N. Newlin Baily
Revelle W. Brown
Ludwig R. Dohm
Judson C. McLester, Jr.
Alfred J. Mackin
Earl T. Moore
Robert E. Teston

Jersey Central Transportation Company

N. Newlin Baily
Harry W. Dorigan
Judson C. McLester, Jr.
Earl T. Moore
Robert E. Teston

COVER: Aerial view shows position of JCL's Jersey City Terminal in the "front yard" of lower Manhattan (background). Mainline tracks leading to passenger terminal and ferry slips separate passenger coach yards (left center) and freight yard tracks leading to carfloat bridges and import-export piers (right, along Hudson River waterfront).

OFFICERS

EARL T. MOORE
President

N. NEWLIN BAILY
Vice President and General Manager

JUDSON C. McLESTER, JR.
Vice President and General Counsel

HARRY W. DORIGAN
Vice President—Traffic

RALPH E. THOMPSON
Chief Accounting Officer

ROBERT E. TESTON
Secretary and Treasurer

BERNARD J. MINETTI
Chief Engineer

*WARREN W. BOYCE
Purchasing Agent

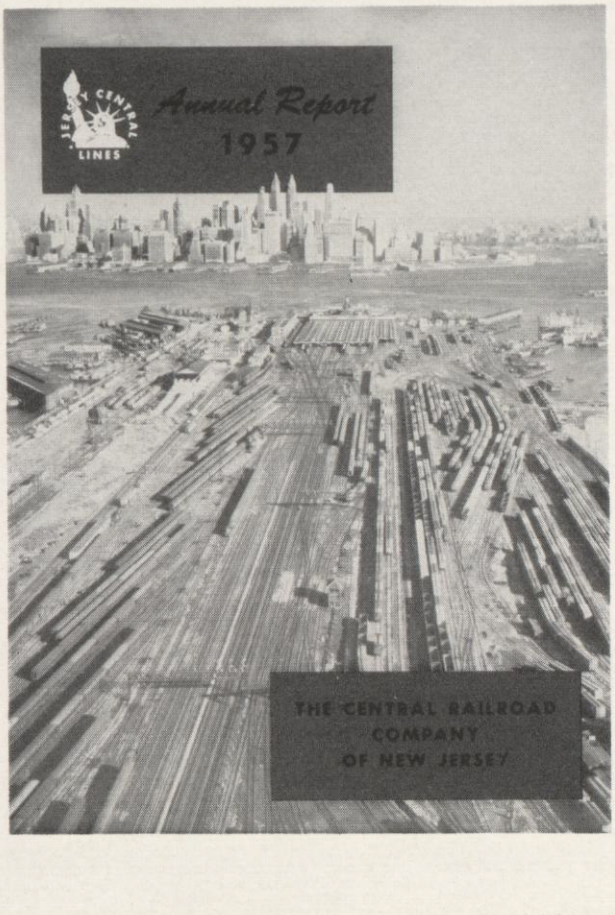
PHILIP M. PARKER
Property Manager

IRA GOLDOWSKY, M.D.
Medical Director

**Effective July 1, 1957*

GENERAL OFFICES

143 LIBERTY STREET
NEW YORK 6, N. Y.



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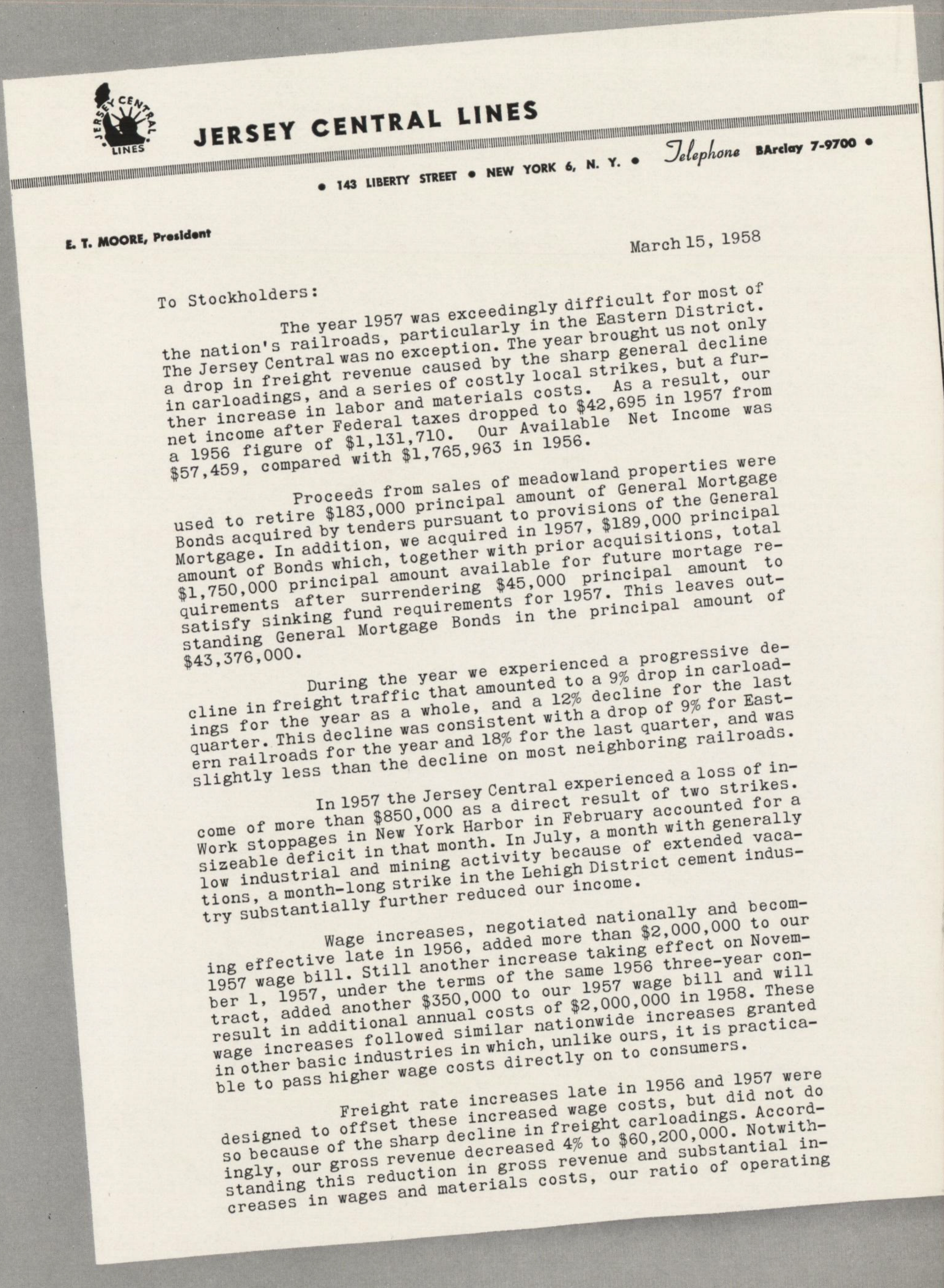


JERSEY CENTRAL LINES

• 143 LIBERTY STREET • NEW YORK 6, N. Y. • *Telephone* BArclay 7-9700 •

E. T. MOORE, President

March 15, 1958

To Stockholders:

The year 1957 was exceedingly difficult for most of the nation's railroads, particularly in the Eastern District. The Jersey Central was no exception. The year brought us not only a drop in freight revenue caused by the sharp general decline in carloadings, and a series of costly local strikes, but a further increase in labor and materials costs. As a result, our net income after Federal taxes dropped to $42,695 in 1957 from a 1956 figure of $1,131,710. Our Available Net Income was $57,459, compared with $1,765,963 in 1956.

Proceeds from sales of meadowland properties were used to retire $183,000 principal amount of General Mortgage Bonds acquired by tenders pursuant to provisions of the General Mortgage. In addition, we acquired in 1957, $189,000 principal amount of Bonds which, together with prior acquisitions, total $1,750,000 principal amount available for future mortage requirements after surrendering $45,000 principal amount to satisfy sinking fund requirements for 1957. This leaves outstanding General Mortgage Bonds in the principal amount of $43,376,000.

During the year we experienced a progressive decline in freight traffic that amounted to a 9% drop in carloadings for the year as a whole, and a 12% decline for the last quarter. This decline was consistent with a drop of 9% for Eastern railroads for the year and 18% for the last quarter, and was slightly less than the decline on most neighboring railroads.

In 1957 the Jersey Central experienced a loss of income of more than $850,000 as a direct result of two strikes. Work stoppages in New York Harbor in February accounted for a sizeable deficit in that month. In July, a month with generally low industrial and mining activity because of extended vacations, a month-long strike in the Lehigh District cement industry substantially further reduced our income.

Wage increases, negotiated nationally and becoming effective late in 1956, added more than $2,000,000 to our 1957 wage bill. Still another increase taking effect on November 1, 1957, under the terms of the same 1956 three-year contract, added another $350,000 to our 1957 wage bill and will result in additional annual costs of $2,000,000 in 1958. These wage increases followed similar nationwide increases granted in other basic industries in which, unlike ours, it is practicable to pass higher wage costs directly on to consumers.

Freight rate increases late in 1956 and 1957 were designed to offset these increased wage costs, but did not do so because of the sharp decline in freight carloadings. Accordingly, our gross revenue decreased 4% to $60,200,000. Notwithstanding this reduction in gross revenue and substantial increases in wages and materials costs, our ratio of operating expenses to gross revenues increased only 1.5%. Further selective increases in freight rates, requested from the Interstate Commerce Commission by all Eastern railroads, were granted on February 12, 1958. These new rates should increase our 1958 gross income by about $1,000,000. However, more than half of this increase will likely be offset by projected decreases in cement rates, designed to forestall diversion to trucks.

Although we are holding our own traffic-wise with neighboring roads, and are operating at least as efficiently, our problem is considerably more difficult during periods of relatively low traffic volume. This is largely due to the fact that our ratio of out-of-pocket losses from passenger operations to income from freight operations is substantially higher than that of most other railroads — and few others, if any, are as seriously affected by discriminatory New Jersey railroad taxation.

This unfavorable ratio deteriorated further in 1957 as passenger losses continued and freight income declined. By the beginning of 1958, our out-of-pocket losses from passenger operations had risen from approximately $3,000,000 for the year 1957 as a whole to an annual rate of $3,400,000. The Baltimore and Ohio Railroad has served notice to terminate, effective November 18, 1958, its contract relating to through passenger trains operated in joint service between Washington and New York. This will further reduce income and increase losses from passenger operations.

In an effort to reverse this trend, we announced late in 1957 a three-point program designed to reduce losses from passenger operations to approximately $2,000,000. These proposals — involving more efficient schedules, abandonment of a small uneconomic sector of a branch line, and an increase in ferry fares sufficient to meet ferry costs — are all awaiting action by regulatory commissions concerned.

The Jersey Central's program of major capital improvements, instituted in 1949, is substantially completed, and needs for similar purposes will be considerably reduced in the future. However, we cannot and will not slow our efforts to increase operating efficiency through cost-saving equipment or projects.

Improvements in both Allentown and Elizabethport yards are completed, as is our 45-mile single-track Centralized Traffic Control installation between Jim Thorpe and Mountain Park, Pa. We have discontinued operations at Penobscot Yard, and have progressed improvements at Ashley to the extent desired at this time. During 1958 we will complete modernization of freight car repair facilities at Jersey City, and finish construction of an additional carfloat transfer bridge — two projects which were started and advanced in 1957.

Despite the decline nationally and poor prospects for business activity in 1958, we did make some progress in our industrial development program in 1957. Several large warehouses were completed in our Elizabeth Central District, and construction is about to start on two other buildings there. The Port of New York Authority has begun condemnation proceedings to acquire 450 acres for the expansion of Port Newark; the Jersey Central owns 100 acres of the land involved.

In July of 1957, the Central Railroad Company of Pennsylvania contracted to acquire the railroad properties of the Lehigh Coal and Navigation Company in Pennsylvania, which the Jersey Central has been operating since 1871 under perpetual lease. A termination date and a modification of some of the provisions of this old lease would be of significant advantage, both short and long range, to the Jersey Central. This project is now awaiting approval by the U. S. Treasury Department, and must subsequently be approved by the Interstate Commerce Commission.

In addition to the generally depressed level of business activity, the Jersey Central entered 1958 with two unsolved problems of enormous magnitude — the burdens of New Jersey's unfair taxation, and a continuing heavy loss from passenger operations.

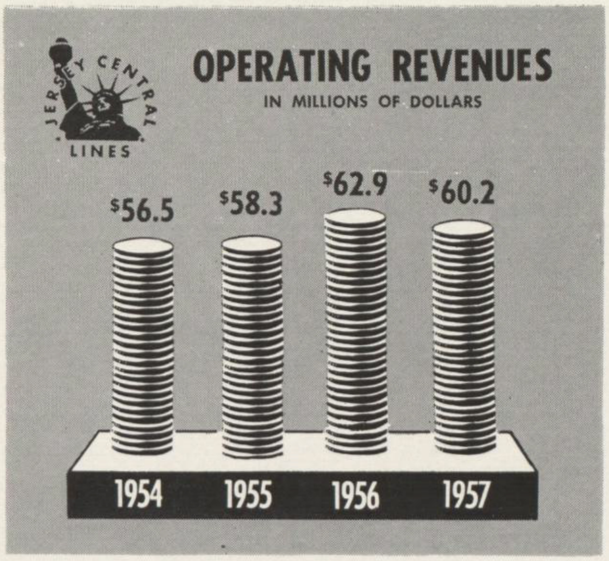
In regard to the first, the Supreme Court of New Jersey has held that under existing statutes all real property throughout the State must be assessed at full value for tax purposes. Reassessment of real property in accordance with this decision would result in a considerable tax reduction for the Jersey Central and other railroads. The State Tax Policy Commission has recently recommended to the Legislature two alternative proposals for amendment of the State's tax laws to avoid the necessity of assessing all real property at full value. Both of the alternatives include a provision for assessment of real property at 40% of full value, and adoption of either would result in a considerable tax reduction for the Jersey Central and other railroads. While the prospect for relief is still indefinite, it is at least encouraging that the inequities have been judicially recognized and that the Legislature is considering specific recommendations for changes in the State's tax laws.

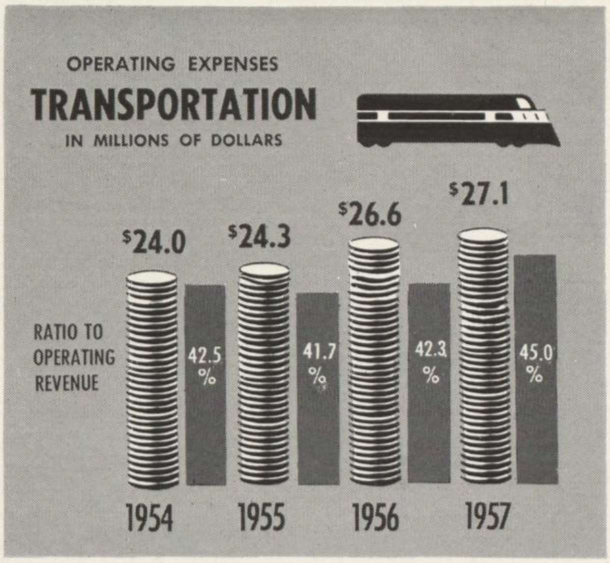
As to the second, our staggering passenger losses can be attacked on a short-term, palliative basis through the proposals outlined above. Any basic solution, however, will require the cooperation — and financial assistance — of the governments of two states and a score of communities. The Metropolitan Rapid Transit Commission, after a two-year study costing $1,000,000, has suggested at least one direction in which to move and has recommended perhaps the only politically feasible next step — the appointment of a bi-State public agency to proceed with detailed planning and negotiation. No immediate relief for the pressing passenger deficit problem can be expected from this source — but there are many signs that an increasing number of area leaders and residents recognize that the problem is too broad for the railroads to solve alone, and that a sound, long-term solution is necessary for the continued economic well-being of the whole metropolitan community.

While the over-all economic prospects for 1958 are not encouraging, the outlook could change materially, either through substantive changes in transportation policies on national or state levels, or the resumption of general economic progress that many experts expect later in the year.

I wish to express my appreciation for the support of all Jersey Central employees in the difficult year we have been through, for the confidence of security holders, and for the patronage of our customers.

E. T. Moore





TRAFFIC AND REVENUES

Freight

Revenue from freight traffic decreased from $52,550,000 in 1956 to $49,560,000 in 1957, representing a decrease of 6%. Carloads, including traffic received from connections, decreased 9% in 1957 as compared with 1956.

Anthracite coal traffic declined sharply, falling 18% below the 1956 totals. For the first time, this commodity produced less than 10% of our total freight revenues last year, compared with more than 11% in 1956. Carloads of bituminous coal decreased 2% in 1957 and represented 16% of our total freight revenue, the same as in 1956. Ten years ago, in 1947, anthracite coal produced 22% of our freight revenue and bituminous coal produced 13%.

General merchandise loadings, reflecting the national drop in business activity, decreased 10% under 1956.

Our cement tonnage which produced about 8% of our total freight revenues decreased 7% in 1957, compared with 1956. This decline was partially attributable to a month-long strike in the Lehigh District cement industry.

Decline in freight traffic was particularly sharp in the fourth quarter of 1957, consistent with the national business curve, and carloadings in the early part of 1958 have continued to reflect this decline.

Effective August 26, 1957, the Interstate Commerce Commission authorized a 7% freight rate increase that applied to most commodities, and a somewhat smaller increase applicable to others. The net effect was an average increase of approximately 5.5%, which, at traffic levels at the time of the order, would have produced additional annual revenue of approximately $2,430,000. Because, however, carloadings have declined steadily since that date, its effect has been considerably less beneficial. This adjustment, authorized in response to a petition filed on September 27, 1956 (as amended February 1, 1957), was designed to offset previously existing wage increases, material price rises, and other cost increases. It made no allowances for the already-negotiated wage increases which were scheduled to go into effect on November 1, 1957, and November 1, 1958, respectively, or for wage increases which have resulted from escalator provisions related to the cost of living index.

On December 23, the nation's railroads filed a new tariff, with a projected effective date of February 1, 1958 (later changed to February 15) providing for further freight rate increases for selected commodities of about 3%, plus increases in certain service charges. The Interstate Commerce Commission, on February 12, approved part and disapproved part of the proposed increases. Their effect on Jersey Central revenues will be substantially less than one-half of our increased wage cost which became effective November 1, 1957.

Passenger

Passenger revenues increased 7%. Revenue from mail increased about 8%. Revenue from express traffic decreased 14%, due in large measure to a four-month strike of some Railway Express Agency employees. The total increase in passenger service revenues amounted to $384,000.

FINANCIAL SUMMARY OF 1957

Income

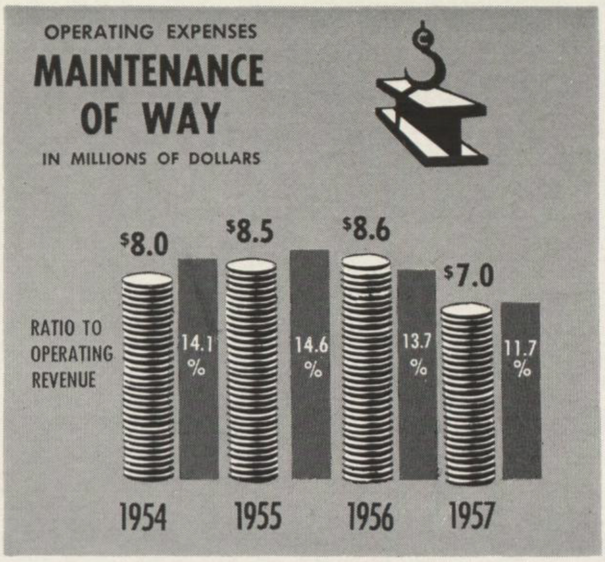
	1957	*1956*
Receipts from freight, passenger and miscellaneous operations	$60,193,040	$62,876,614
Other income (Net)	856,629	803,988
Total income	$61,049,669	$63,680,602

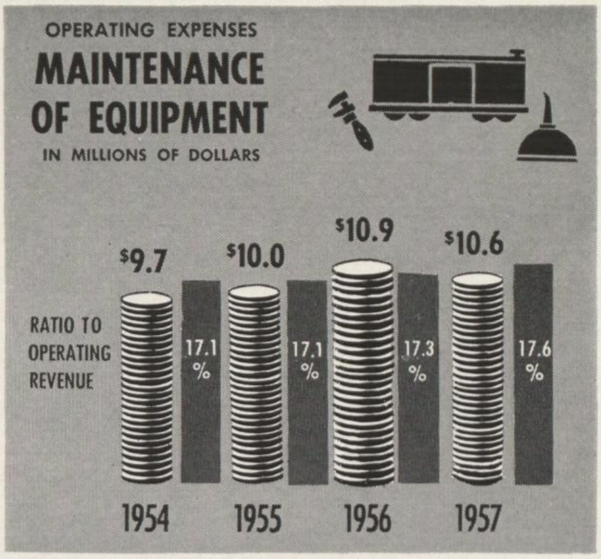
Expenses

Cost of maintaining and operating the property	$48,442,785	$49,673,404
Taxes	5,994,539	6,238,157
Hire of equipment and joint facilities	2,319,088	2,330,756
Fixed charges	4,250,562	4,306,575
Total costs	$61,006,974	$62,548,892
Net Income	$ 42,695	$ 1,131,710
Charges against income for property retired and not replaced	14,764	634,253
"Available Net Income"	$ 57,459	$ 1,765,963

Capital Fund

Amount in Capital Fund at close of year	$ 2,656,460	$ 2,589,375





Wage and cost-of-living increases since November 1, 1956, have added approximately $1,000,000 to passenger costs, while interstate and intrastate fare increases since January 27, 1957, are estimated to increase passenger revenues by about $540,000 on an annual basis.

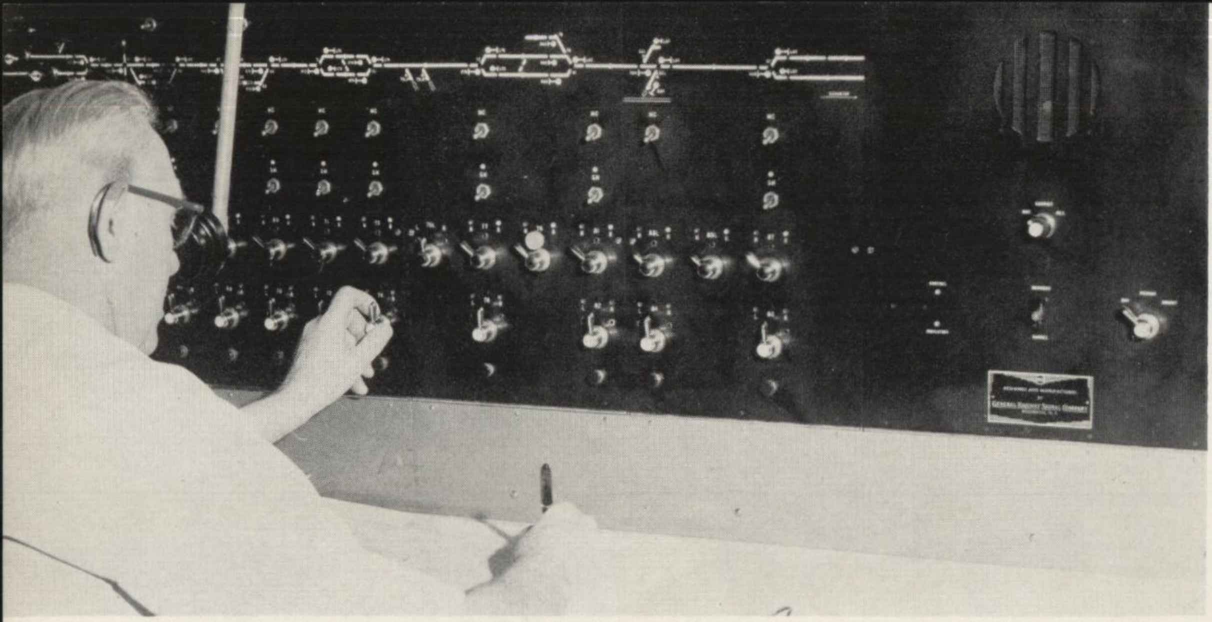
The net effect of these increases in costs and fares has been to increase the out-of-pocket loss from $2,950,000 to an annual rate of $3,400,000 at the present time.

Currently, the Jersey Central is awaiting action by the Interstate Commerce Commission and the New Jersey Public Utilities Commission on a three-part program designed to reduce the annual out-of-pocket passenger loss from its present rate of $3,400,000 to about $2,000,000. Specifically pending before the Interstate Commerce Commission is a petition for adjustment in ferry fares, which would just about cover out-of-pocket losses for providing ferry service between Jersey City and Liberty Street, New York. Also before the Interstate Commerce Commission is a petition to abandon that portion of the railroad between Atlantic Highlands and Highlands, N. J., a distance of 3.6 miles. A new, more efficient passenger schedule has been proposed to the New Jersey Board of Public Utility Commissioners.

Trend of Revenue and Expense from Passenger Service

	(Thousands of Dollars)			
	1957	*1956*	*1955*	*1954*
Gross Revenue: Passenger, Mail and Express	$ 9,171	$ 8,787	$ 8,295	$ 8,446
Operating expenses related solely to passenger service				
Directly assigned	10,123	9,829	9,001	9,226
Apportioned*				
Locomotive repairs	620	667	625	711
Locomotive depreciation	234	244	268	302
Payroll taxes for passenger service employes	511	465	400	410
Property taxes on property used solely for passenger service	637	615	602	592
Total operating expense related solely to passenger service	12,125	11,820	10,896	11,241
Loss, on basis of revenue and expense related solely to passenger service	2,954	3,033	2,601	2,795
Passenger service proportion of expenses incurred jointly for passenger and freight service	3,361	3,287	3,407	3,393
Total Loss, before Fixed Charges	6,315	6,320	6,008	6,188

*—That portion related solely to passenger service.



From this panel board at Allentown, Pa., train dispatcher controls traffic on 45-mile stretch of single-track railroad between Jim Thorpe and Mountain Park, Pa., recently equipped with centralized traffic control (CTC) system (see "Improvements", page 10).

TAXES

Federal income taxes of $304,000 were accrued in 1957, compared with $637,000 in 1956. These income taxes reflect the differences between Internal Revenue Service and Interstate Commerce Commission accounting regulations in the treatment of such matters as depreciation, accruals for personal injury costs, capital gains and carry-over losses. Approximately $940,000 carry-over loss was applicable to 1956 taxable income; none was applicable to 1957 taxable income.

Taxes paid to the State of New Jersey for 1957 amounted to $3,400,000, equivalent to $7.76 a share on the Company's common stock outstanding.

The tax rate for Railroad Unemployment Insurance increased January 1, 1958 for the third consecutive year, rising from 2% to 2½%. The estimated cost of this increase is $140,000 for 1958. This tax in 1957 amounted to $564,000.

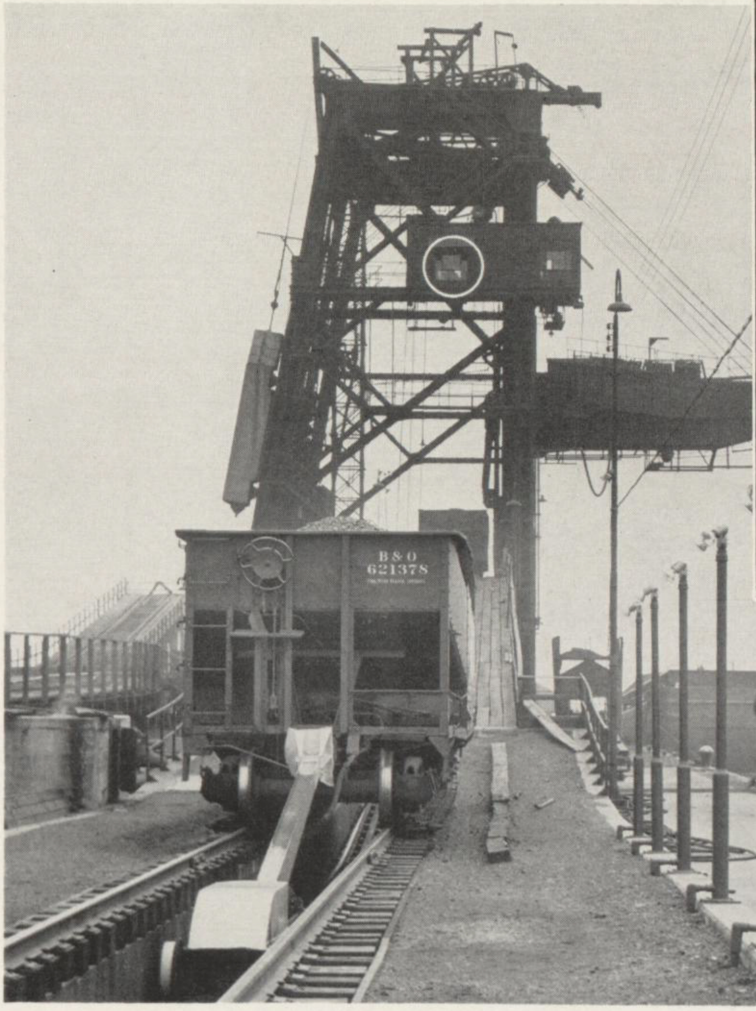
Early in March 1957 the New Jersey Supreme Court handed down a decision holding that the Director of the Division of Taxation had the power and duty to assess railroad property at less than true value whenever necessary to prevent discrimination. The Court said that it was the duty of the Director to determine the "common level of assessments" in each taxing district but held that the "common level" could not be determined solely upon the basis of sales-assessment ratios compiled by the Director for equalizing State grants for school aid to the respective municipalities. Despite this decision, the Director certified 1957 railroad assessments upon a true value basis without attempting to equalize them to the lower ratios of assessment for locally assessed properties prevalent throughout the State. The Director, as reasons for his actions, stated that he had insufficient data for determining the "common level of assessments" and that there was inadequate time before the statutory date for certifying his assessments to permit revaluation. The Jersey Central and five other railroads then instituted suits in the New Jersey Superior Court to review the Director's action and to compel reduction in the assessments of their properties. Various interested municipalities and the Director moved to dismiss these suits on the ground that the questions should be determined by the Division of Tax Appeals before court review could be had. The motions to dismiss were denied by the trial judge but this was reversed by the New Jersey Supreme Court.

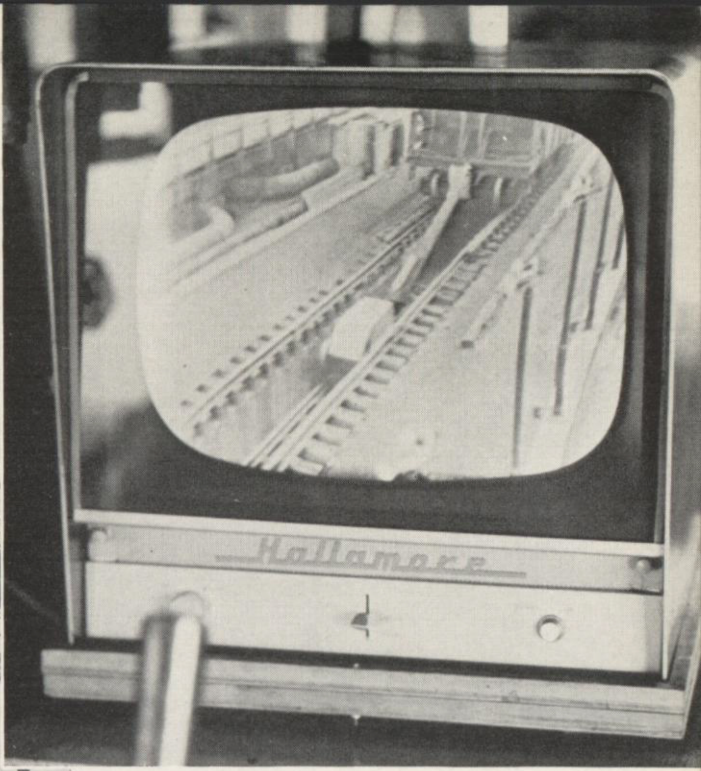
In another case the Supreme Court of New Jersey has held that under existing statutes all real property throughout the State must be assessed at full value for tax purposes. Reassessment of real property in accordance with this decision would result in a considerable tax reduction for the Jersey Central and other railroads. The State Tax Policy Commission has recently recommended to the Legislature two alternative proposals for amendment of the State's tax laws to avoid the necessity of assessing all real property at full value. Both of the alternatives include a provision for assessment of real property at 40% of full value and adoption of either would result in a considerable tax reduction for the Jersey Central and other railroads.

It is impossible to predict what the ultimate outcome of these court decisions and legislative proposals will be.

WAGES AND SALARIES

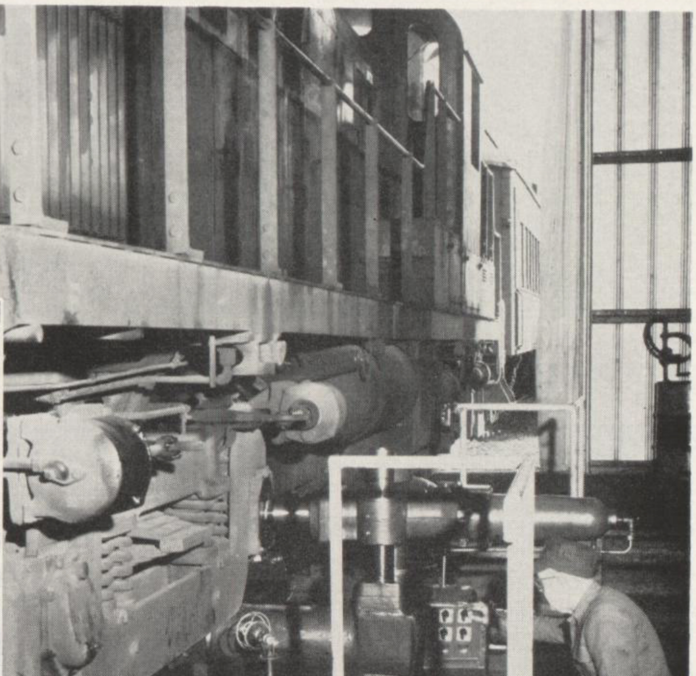
While no new wage requests were submitted by any organization during the year, requests of seven organizations received during 1956 were settled and disposed of in 1957. They provided for increases, retroactive to November 1, 1956, for a three-year period, similar to that granted to other organizations. Included in these increases was a cost-of-living adjustment to all employees which, during 1957, amounted

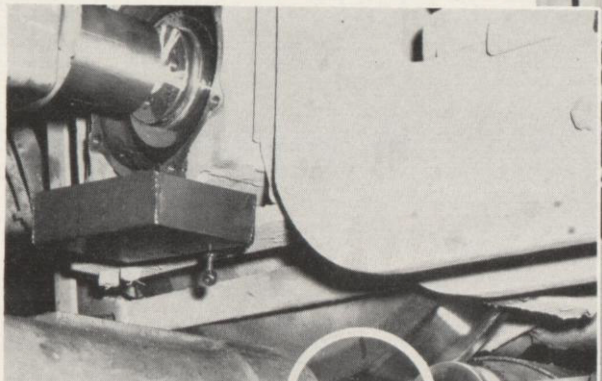




Modern closed-circuit television installation at Pier 18, Jersey City, speeds handling of coal cars to dumper (left). Dumper operator high up on dumper superstructure (in circle, left) can see "first-hand" on TV screen (photo above) the position of the barney which pushes cars up incline to dumper cradle. This new communications installation materially reduces lost-time factor in handling cars.

Another time-and-cost-saving machine acquired in 1957 is a wheel truing machine installed at Communipaw Engine Terminal, Jersey City. With this machine, worn wheels of locomotives and passenger coaches can be restored to proper condition without being removed. Photo at right shows locomotive spotted for wheel truing. Close-up view below shows wheel (in white circle) being ground to normal contour.





This large area, which has changed very little since the Indians left the New York metropolitan region, is about to become populated with port and industrial installations. It is a portion of the Elizabeth, N. J., meadowland bordering Newark Bay. The plant already erected (left) is a sulphuric acid plant of the General Chemical Division of Allied Chemical & Dye Corp. which went into operation in 1957. Farther north (to the right) the Port of New York Authority will expand Port Newark facilities into the meadowland area (see letter to Stockholders, page 3).

to an additional 8c per hour. The latest increases under this agreement became effective November 1, 1957, and, upon the basis of employment at that time, added an estimated $2,000,000 to the Jersey Central's annual wage cost.

IMPROVEMENTS

The comprehensive Jersey Central yard modernization programs at Allentown, Elizabethport and Ashley were virtually completed in 1957. At Allentown, the eastbound hump retarder yard was finished, giving us fully modern east and westbound classification yards at this point.

In Elizabethport, we modernized the south side of the yard by raising and respacing tracks and installing new steel floodlight towers, thus effecting a considerable reduction of cost in yard operation.

Ashley Yard improvements in 1957 have permitted centralization of yard operations at that point and discontinuance of Penobscot Yard. They have resulted in a material improvement in service for traffic moving via connections within the Wilkes Barre-Scranton area, including locally originating anthracite, as well as a reduced operating cost.

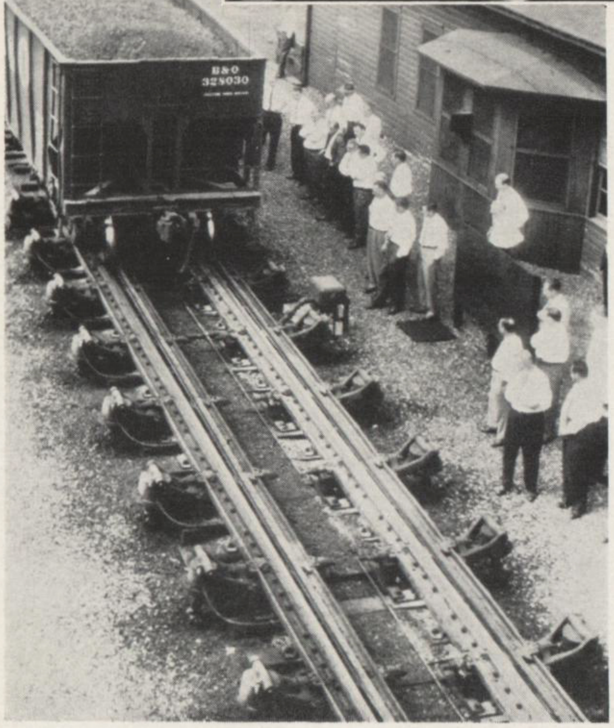
Installation of centralized traffic control (CTC) between Jim Thorpe and Mountain Park, Pa., was completed. The train dispatcher at Allentown is now able to control all operations on the 45 miles of single track between these two points. Built at a total cost of $565,000, this improvement resulted in a maintenance and labor saving of almost $100,000 annually, with no reduction in our capacity—and also made unnecessary the replacement of 20 miles of main track lost in the August 1955 floods, thereby saving approximately $747,000.

Communications on the Pennsylvania Division were materially improved during 1957 at a total cost of $67,500. Base radio stations were installed at Jim Thorpe, Penobscot and Ashley, Pa. Eighteen locomotives operating at Ashley Yard were radio equipped. Loud speaker communication facilities were installed in Ashley Yard. Two additional voice channels were provided between Allentown and Ashley and a third channel for the CTC system between Allentown and Nesquehoning Junction.

The Wharton and Northern Railroad has commenced work for relocating a portion of its trackage in the area of a new water reservoir to be constructed in Morris County, New Jersey, for the City of Newark. The entire cost of the track location, amounting to about $590,000, is to be borne by the City of Newark. The project involves the construction of about 2½ miles of new main track and approximately 8,000 feet of new interchange, yard and wye tracks. It will result in relocation and improvement of facilities for interchange with the New York, Susquehanna and Western Railroad at Green Pond Junction. The construction schedule calls for completion of the railroad relocation in the fall of 1958.

Relocation and modernization of freight car repair facilities at Jersey City was begun in 1957, and was completed early in 1958. The

Photo at right was taken on a moving train during a 1957 educational trip for Jersey Central's freight traffic salesmen. It shows them studying territory ordinarily traversed only by freight trains. Below, the group observes "humping" operations at Allentown Yard, Pa.



expenditure of $200,000 for this project will result in safer and more efficient operation.

We have begun construction of fifth carfloat transfer bridge at Jersey City, costing $450,000, necessary to accommodate increased Car Forwarder traffic originating at New York pier stations.

Installation of closed-circuit television to speed communications in dumper operations, and the addition to the thaw sheds of electrically-operated steel roll-up doors with safety controls, further advanced the modernization of Pier 18, Jersey City, the most efficient coal handling facility in the New York Harbor.

A new wheel-truing machine was installed at Communipaw Engine Terminal which makes it possible to restore the contour of worn wheels on locomotives and passenger cars without removal. This installation, costing $225,000, will save approximately $90,000 annually.

During 1957, we purchased new, from car builders, fifty 70-ton, 65-foot gondola cars, fifty 50-ton box cars, and 50 cement hopper cars, at a total cost of $1,300,000. We also purchased six welded steel scows, costing $276,000, and two diesel locomotive cranes costing $126,000.

INDUSTRIAL DEVELOPMENT

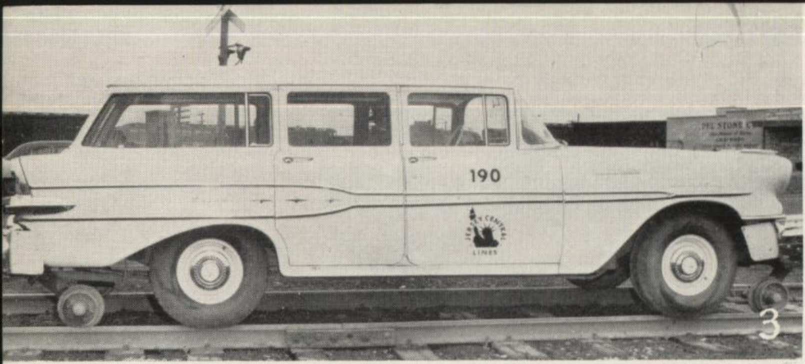
During 1957, 41 new industries, with an estimated annual traffic potential of 6,200 cars, established operations along our system. Nineteen on-line industries expanded facilities for an estimated increase of 1,700 carloads a year.

The Masonite Corporation joined the ranks of new industries in our Elizabeth Central District development and the Radio Corporation of America is completing a large plant in our Central Morris Industrial Park.

The new piers of Norton Lilly and Company at Port Newark went into operation on July 1, 1957. These extensive and modern facilities, completed at a cost of over $9,000,000, are expected to materially increase our carload traffic in the Port Newark area. The Port of New York Authority has announced that during 1958 it will spend over $11,000,000 in improvements and further expansion of Port Newark facilities and $2,500,000 for preliminary dredging and bulkheading operations in connection with its plan to develop a major seaport on Newark Bay in Elizabeth, N. J.

PROPERTY SALES

Fifty-eight parcels of land with an area of 78 acres were sold in 1957 for a total consideration of $307,000.



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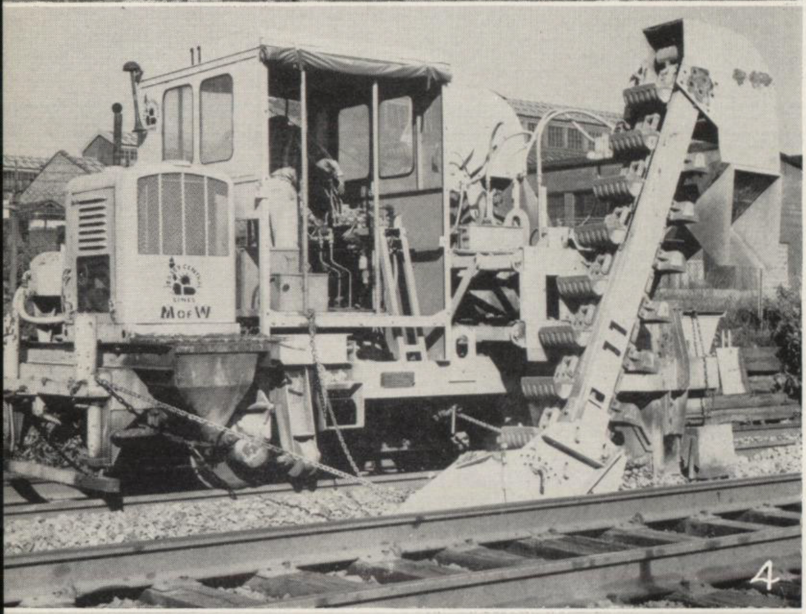

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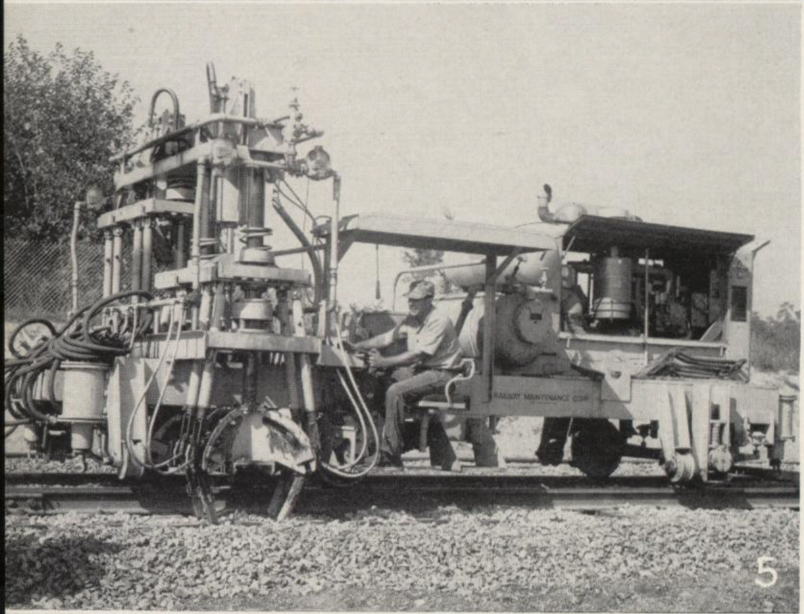

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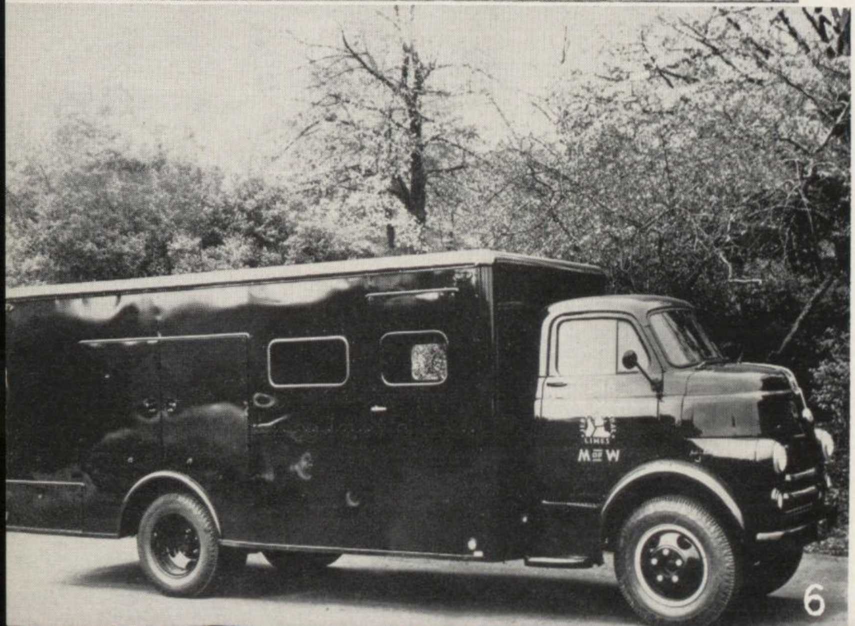

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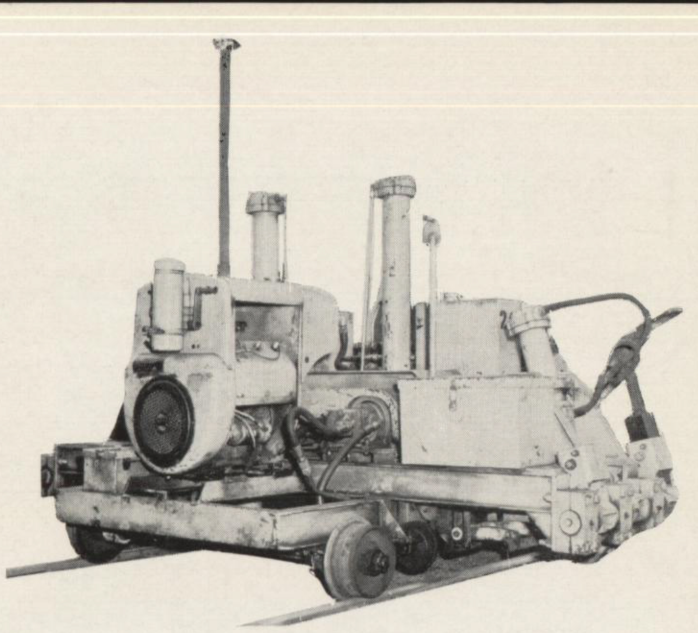

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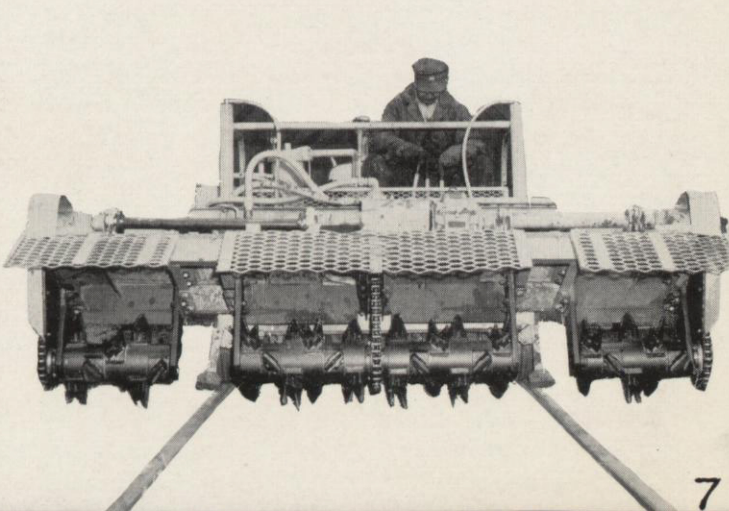
CAPITAL INVESTED IN MACHINE

1. SWING LOADER: A versatile off-track machine; its large tires make it completely maneuverable in track areas. Scoop can be replaced with other fittings such as hooks and forks.
2. JACK-ALL: Lifts and suspends track for work by other machines in track maintenance "production line."
3. HY-RAIL CAR: For time-saving, low-cost inspection trips; operates on rails or highway; guide wheels raised and lowered hydraulically.
4. BALLAST DISTRIBUTOR: Scoops and cleans ballast, and distributes it throughout track area prior to tamping.
5. BALLAST TAMPER: Vibrates and tamps ballast into firm position between ties.
6. SECTION TOOL VAN: Used to transport section forces, tools and supplies to and from work locations.
7. SCARIFIER: This machine digs a uniform bed inside and outside of rails for new tie installation.
8. BALLAST REGULATOR: Dresses ballast to uniform position and forms proper shoulder slopes.
9. TIE EXTRACTOR: Pushes worn ties from under rails. Another machine inserts new ties.



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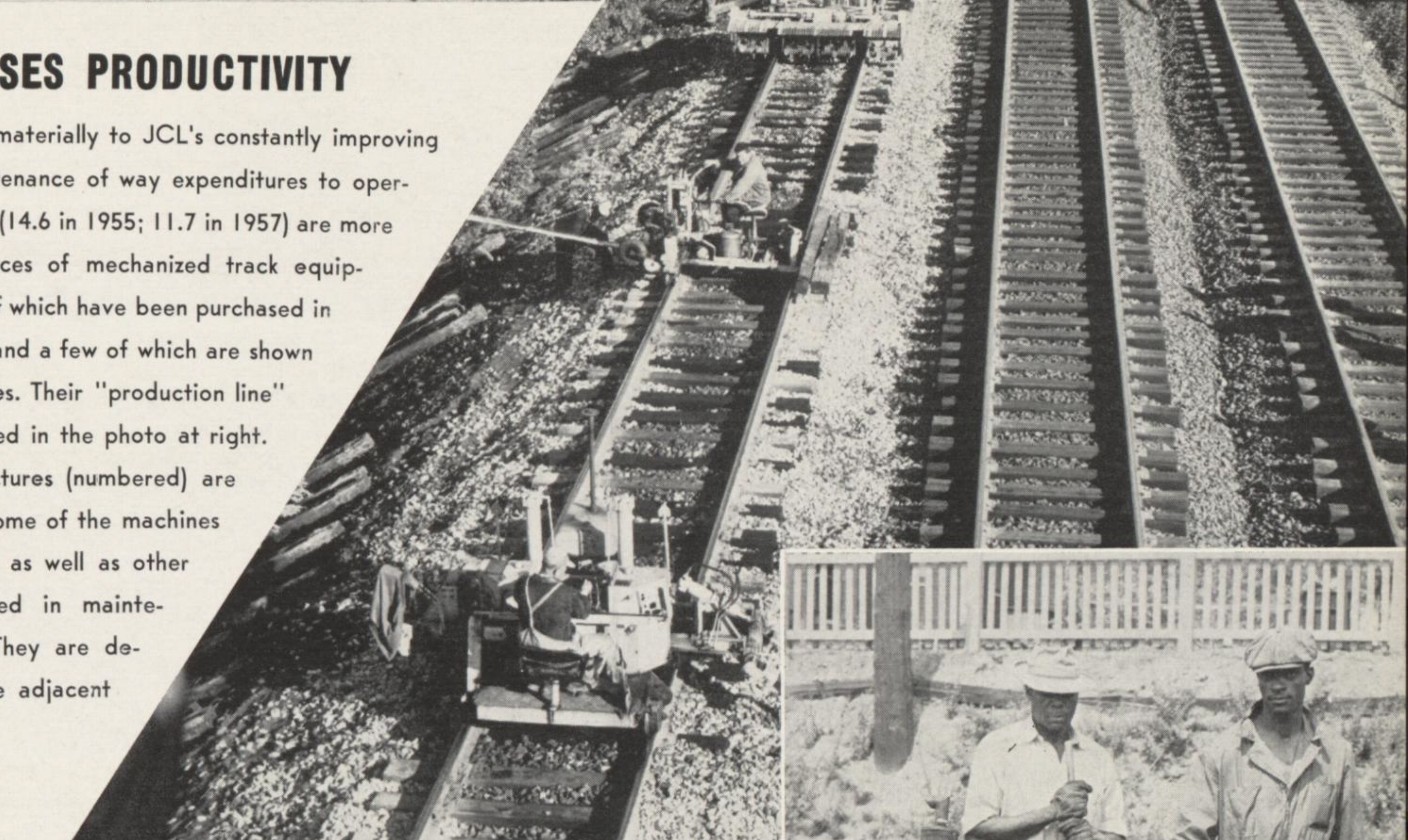
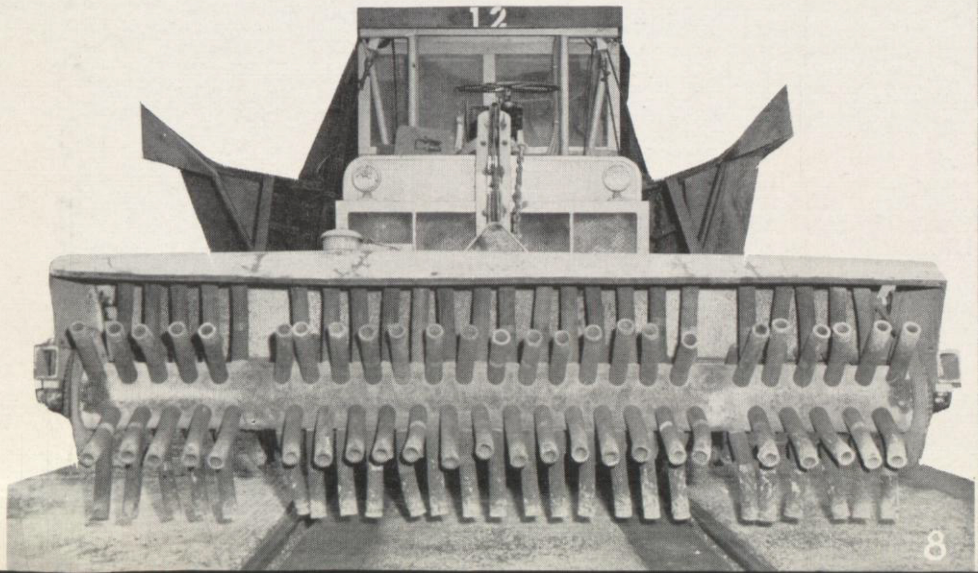


ES INCREASES PRODUCTIVITY

Contributing materially to JCL's constantly improving ratio of maintenance of way expenditures to operating revenue (14.6 in 1955; 11.7 in 1957) are more than 400 pieces of mechanized track equipment, many of which have been purchased in recent years, and a few of which are shown on these pages. Their "production line" use is illustrated in the photo at right. The other pictures (numbered) are close-ups of some of the machines in this photo, as well as other equipment used in maintenance work. They are described in the adjacent column.



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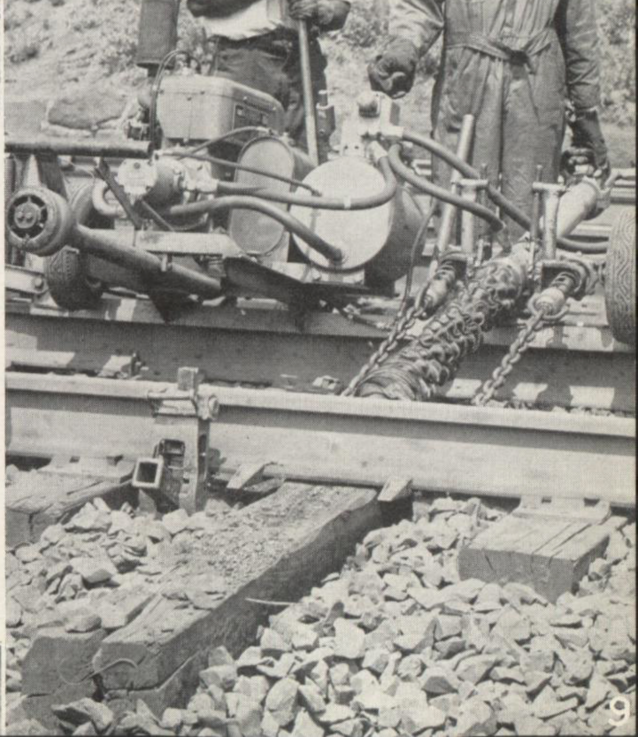

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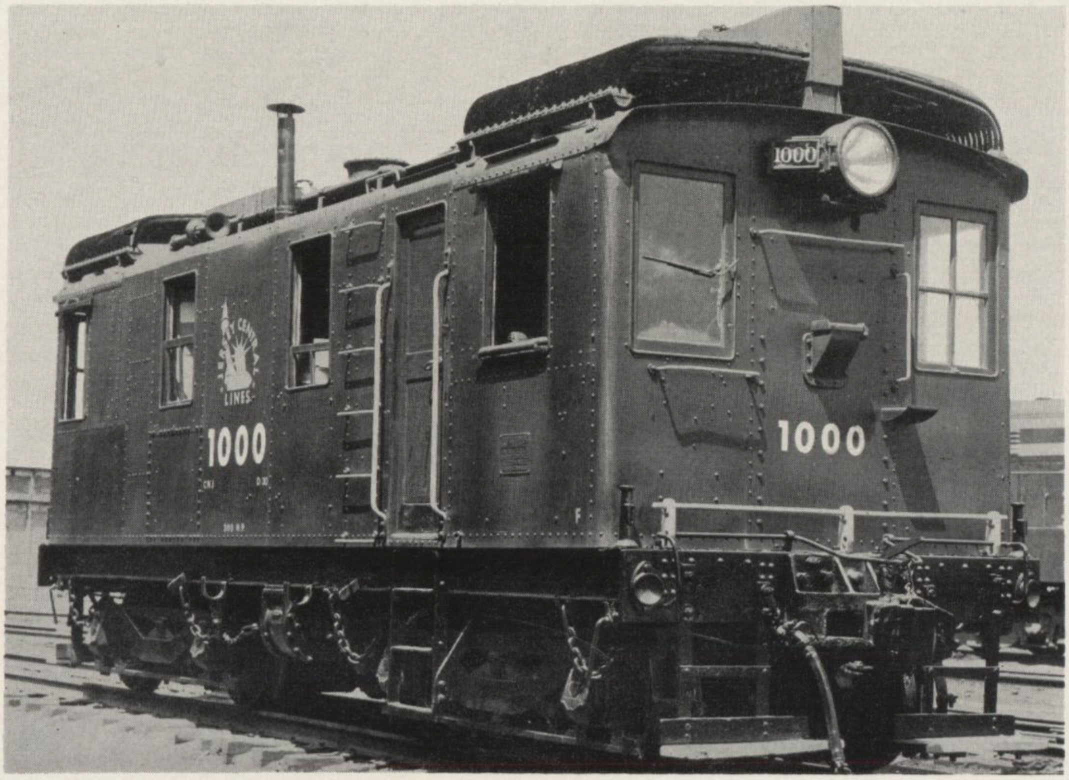

This "portrait" shows Jersey Central's Engine No. 1000, the first diesel-electric locomotive to be owned and operated by an American railroad, as she looked when she "retired" on June 13, 1957. Purchased in 1925, No. 1000 now rests in the B&O's Transportation Museum at Baltimore, Md., along with other locomotives of historic fame.

PUBLIC AND EMPLOYEE RELATIONS

During 1957 we continued our efforts toward increasing public understanding of the economics underlying the accelerating commuting crisis in the New York Metropolitan Area. We have placed particular emphasis upon keeping our own commuters informed of the month-by-month developments, including those related to the reports of the Metropolitan Rapid Transit Commission.

Our principal channels of communication have been the "Jersey Central Commuter's Almanac"—a monthly folder, now in its third year, which is distributed on our trains and at our stations; a bulletin screen at our Liberty Street Ferry Terminal in New York, which we have been using daily since 1953; and the newspapers and radio and television stations in our area, from whom we have been receiving an increasing degree of cooperation.

Favorable national publicity was accorded the Jersey Central in 1957 in connection with the June 13 retirement of JCL Engine No. 1000, the first diesel-electric locomotive to be owned and operated by an American railroad. This engine, placed in service by the Jersey Central in 1925, has been enshrined in the Transportation Museum of the Baltimore and Ohio Railroad at Baltimore, Md.

Jersey Central employees continue to be instrumental in advancing the aims of Railroad Community Committees in the areas of northern New Jersey and eastern Pennsylvania. These groups volunteer and accept responsibilities in carrying out various worthwhile community projects, their trained speakers carry the railroad story to many audiences, and others hold roundtable conferences on mutual railroad-community matters with newspaper editors and other influential municipal leaders.

Our 16th Testimonial Dinner for retired Jersey Central employees was held November 9 at Newark. Some 1,200 employees, the largest number to attend such an affair to date, were on hand to pay tribute to their retiring fellow-workers.

We continued our efforts to promote greater employee safety and during 1957 accomplished a marked improvement over the preceding year.

Many employees continued to participate in our Suggestion Plan. In 1957, 973 ideas were submitted and 230 awards totaling $2,847 were made. Altogether, through December 31, 1957, the Plan has elicited 10,417 suggestions, with 1,735 winning a grand total of $26,856.

ORGANIZATION CHANGES

Mr. Warren W. Boyce was appointed Purchasing Agent July 1, 1957, succeeding Mr. George R. Merryman who retired after 30 years with the Company. Mr. Boyce has been with the Jersey Central since 1927.

By Order of the Directors
The Central Railroad Company of New Jersey

March 15, 1958

JERSEY CENTRAL LINES

The Central Railroad Company of New Jersey

Statement of Consolidated Income

	Year ended Dec. 31	
	1957	1956
RAILWAY OPERATING REVENUE:		
Freight:		
Merchandise	$36,932,954	$38,427,303
Anthracite	4,838,068	5,941,599
Bituminous	7,789,907	8,180,765
	$49,560,929	$52,549,667
Passenger, Mail, Express and Other (Page 22)	10,632,111	10,326,947
Total	$60,193,040	$62,876,614
RAILWAY OPERATING EXPENSES:		
Payrolls	$32,517,127	$32,928,023
Material, Supplies and Other Expenses	12,663,774	13,520,786
Depreciation	3,261,884	3,224,595
Total Railway Operating Expenses (Page 22)	$48,442,785	$49,673,404
NET REVENUE FROM RAILWAY OPERATIONS	$11,750,255	$13,203,210
CHARGES TO NET REVENUE:		
Railway Taxes:		
Federal Taxes on Income (Note 5)	$ 304,000	$ 637,000
New Jersey Property and Franchise	3,343,874	3,374,241
Other	2,346,665	2,226,916
	$ 5,994,539	$ 6,238,157
Hire of Equipment and Joint Facility Rents	2,319,088	2,330,756
Total	$ 8,313,627	$ 8,568,913
NET RAILWAY OPERATING INCOME	$ 3,436,628	$ 4,634,297
OTHER INCOME:		
Rent of Properties	$ 215,018	$ 222,319
Dividends	309,112	254,367
Interest	258,404	242,518
Other (net)	74,095	84,784
Total	$ 856,629	$ 803,988
	$ 4,293,257	$ 5,438,285
FIXED CHARGES:		
Rent of Leased Roads	$ 2,360,772	$ 2,360,919
Interest on Funded Debt	1,878,404	1,932,779
Amortization of Discount on Funded Debt	11,386	12,877
Total	$ 4,250,562	$ 4,306,575
NET INCOME	$ 42,695	$ 1,131,710

Statement of Consolidated Retained Earnings

Retained Earnings at December 31, 1956	$63,348,691
Net Income for the Year	42,695
Excess of Principal Amount Over Cost of Mortgage Bonds Acquired	197,967
Profit on Sale of Land (net)	201,381
Reversal of New Jersey Franchise Tax accrual provided out of retained earnings in 1954	272,000
Other (net)	3,348
	$64,066,082
Deduct book value of properties abandoned at Jersey City and Elizabeth	309,285
Retained Earnings at December 31, 1957	$63,756,797

JERSEY CENTRAL LINES

The Central Railroad Company of New Jersey

Consolidated Balance Sheet

Assets

	December 31 1957	 1956 (Note 2)
Current Assets:		
Cash and Temporary Cash Investments	$ 5,953,623	$ 6,009,025
Accounts Receivable and Unbilled Revenue	5,682,546	7,268,494
Materials and Supplies	3,749,244	3,585,781
Prepayments and Working Fund Advances	746,728	813,901
	$ 16,132,141	$ 17,677,201
Special Funds:		
Capital Fund (Note 3)	$ 2,656,460	$ 2,589,375
Funds for Investment in Properties or Retirement of Debt	1,126,339	1,400,637
Insurance and Other Deposits	160,380	141,479
	$ 3,943,179	$ 4,131,491
Properties less Depreciation and Amortization (detail on Page 18)	$131,023,294	$131,668,339
Investments and Advances at or Below Cost:		
Affiliated Companies (Page 19)	$ 7,952,114	$ 7,558,781
Other (Page 19)	1,933,447	1,970,356
	$ 9,885,561	$ 9,529,137
Less Provision for Possible Loss	1,728,934	1,728,934
	$ 8,156,627	$ 7,800,203
Other Assets:		
Miscellaneous Receivables and Items in Suspense	$ 844,973	$ 839,398
Estimated Salvage Recoverable on Retirements	83,868	165,981
	$ 928,841	$ 1,005,379
	$160,184,082	$162,282,613

Liabilities

	1957	1956
Current Liabilities (Note 2)	$ 7,968,091	$ 9,529,871
Other Liabilities:		
Employees' Vacation Pay	$ 1,927,017	$ 1,746,017
Injury and Damage Claims	1,132,145	969,400
Miscellaneous Liabilities and Items in Suspense	636,049	817,945
	$ 3,695,211	$ 3,533,362
Long-Term Debt (Page 18):		
Mortgage Bonds Less Held in Treasury (Note 6)	$ 43,376,000	$ 43,748,000
Equipment Trust Obligations	11,828,000	13,630,000
Conditional Sales Agreements	2,885,715	1,818,421
	$ 58,089,715	$ 59,196,421
Shareowners' Equity:		
Capital Stock Authorized 460,000 Shares of $50 Par Value, Issued 457,915 Shares Less 19,877 Shares in Treasury	$ 21,901,900	$ 21,901,900
Other Paid in Capital	4,772,368	4,772,368
Retained Earnings	63,756,797	63,348,691
	$ 90,431,065	$ 90,022,959
	$160,184,082	$162,282,613

Accountants' Report

Peat, Marwick, Mitchell & Co.
Accountants and Auditors
Seventy Pine Street New York 5, N. Y.

To the Board of Directors and Shareowners
The Central Railroad Company of New Jersey

We have examined the consolidated balance sheet of The Central Railroad Company of New Jersey as of December 31, 1957 and the related statements of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the final determination of liability for Federal income tax (Note 5), the accompanying financial statements present fairly the financial position of The Central Railroad Company of New Jersey and its consolidated subsidiaries at December 31, 1957 and the results of their operations for the year then ended, in conformity with principles of accounting prescribed or authorized by the Interstate Commerce Commission applied on a basis consistent with that of the preceding year.

March 11, 1958 Peat, Marwick, Mitchell & Co.

Notes to Financial Statements

1. Principles of consolidation:
   All 100% owned subsidiaries have been consolidated except two non-railroad companies owning land.

2. Restatement of 1956 figures:
   The 1956 amounts in the accompanying balance sheet have been restated to conform with the 1957 amounts which are classified in accordance with the regulations of the Interstate Commerce Commission issued effective January 1, 1957. The regulations do not provide for the inclusion in current liabilities of accruals for vacation pay, injury and damage claims or installments of long-term debt payable in the following year which approximate $4,600,000 at December 31, 1957.

3. Capital Fund:
   The Capital Fund is a requirement of the general mortgage trust indenture, and may only be used to (a) meet corporate fixed charges to the extent of a deficiency in earnings, and (b) to pay for capital expenditures where other funds are not available. Any funds so applied must be restored in subsequent years from available net income.

4. Properties:
   Consistent with the practice generally followed by Class I Railroads, the Company has not provided for depreciation prior to January 1, 1944 of road property held on that date. The investment in properties and the depreciation accrued are detailed on page 18.

5. Federal income tax:
   In determining the estimated income tax liability, the Company has not deducted amortization of emergency facilities since 1955 and book depreciation now exceeds that shown on the tax return.
   The consolidated Federal income tax returns for years subsequent to 1952 are under examination by the Treasury Department. Should the returns for the years 1953-1955 be accepted by the Treasury Department as filed, a net refund of approximately $400,000 would be received. On the other hand if the reserve for vacation pay is allowed as a deduction only when paid and otherwise the returns are accepted as filed, there would be an additional net assessment of approximately $325,000.

6. Mortgage bonds:
   The trust indenture provides that until the outstanding bonds are reduced to $24,000,000 an amount equal to one-half of "available net income" for each year as defined in the indenture shall be applied to retirement of outstanding bonds on or before April 1 of the following year. This obligation may be met either by a payment of cash to the mortgage trustee or delivery of bonds at the Company's cost of acquisition. Under this provision one-half of available net income for the year ended December 31, 1957 amounted to $28,730. The Company has in its treasury sufficient bonds to surrender in satisfaction of this obligation.

JERSEY CENTRAL LINES

Long Term Debt—The Central Railroad Company of New Jersey

Mortgage Bonds

Date of Issue	Date of Maturity	Interest Due	Interest Rate	Total Amount Issued	Amount Actually Outstanding Dec. 31, 1957
July 1, 1949	July 1, 1987	Jan. and July	3¼%	$48,731,000	$43,376,000

Equipment Trust Obligations

Date	Equipment Securing Obligation	Interest Rate	Original Amount of Obligation	Retired This Year	Unmatured and Outstanding Dec. 31, 1957	Final Installment Matures
June 15, 1944	100 Flat Cars 500 Hopper Cars 1000 Gondola Cars	2¼%	$ 3,720,000	$ 305,000	$ 439,000	June 15, 1959
June 15, 1947	5 Road Frt. Diesel Loco.	2⅜%	1,605,000	182,000	460,000	June 15, 1962
July 15, 1947	1250 Box Cars	2⅜%	3,750,000	250,000	1,250,000	July 15, 1962
Apr. 15, 1948	5 Road Frt. Diesel Loco.	2⅝%	1,395,000	93,000	558,000	Apr. 15, 1963
Oct. 15, 1948	13 Diesel Units	2⅝%	1,500,000	100,000	600,000	Oct. 15, 1963
Apr. 1, 1950	12 Diesel Units	2½%	1,350,000	90,000	720,000	Apr. 1, 1965
Apr. 1, 1950	125 Covered Hopper Cars 12 Diesel Units	2⅜%	1,815,000	121,000	968,000	Apr. 1, 1965
Aug. 1, 1951	22 Diesel Units	3%	2,745,000	183,000	1,647,000	Aug. 1, 1966
Oct. 1, 1952	23 Diesel Units	3½%	2,895,000	193,000	1,930,000	Oct. 1, 1967
Mar. 1, 1953	500 Box Cars	3⅝%	2,460,000	164,000	1,804,000	Mar. 1, 1968
Apr. 1, 1954	4 Diesel Rail Passgr. Coaches 7 Diesel Units	3⅛%	1,815,000	121,000	1,452,000	Apr. 1, 1969
	Total		$25,050,000	$1,802,000	$11,828,000	

Conditional Sales Agreements

Sept. 14, 1951	2 Diesel Units	2½%	$ 260,324	$ 28,202	$ 98,905	Nov. 1, 1961
Nov. 1, 1952	15 Diesel Units	3¼% 3⅝%	1,450,690	145,069	725,345	Nov. 1, 1962
April 2, 1956	93 Covered Hopper Cars	3¾%	586,644	73,330	476,648	May 1, 1964
Oct. 15, 1956	3 Diesel Rail Passgr. Coaches	4½%	406,382	33,865	372,517	Feb. 1, 1963
May 15, 1957	6 Steel Freight Barges	4¾%	220,800	—	220,800	Oct. 1, 1962
July 15, 1957	50 Covered Hopper Cars	5%	322,800	—	322,800	July 1, 1963
July 15, 1957	50 Box Cars	5%	315,900	—	315,900	Nov. 1, 1963
July 15, 1957	50 Gondola Cars	5%	352,800	—	352,800	Nov. 1, 1963
	Total		$3,916,340	$280,466	$2,885,715	

Properties

	December 31, 1957	December 31, 1956
Transportation property:		
Road and roadway structures	$ 89,819,265	$ 89,969,636
Equipment	76,375,295	75,217,806
Improvements on leased property	13,092,297	12,913,623
Miscellaneous physical property	2,863,537	2,652,187
Total	$182,150,394	$180,753,252
Allowance for depreciation and amortization:		
Roadway structures	$ 8,313,560	$ 7,792,946
Equipment	41,743,832	40,289,077
Improvements on leased property	1,069,708	1,002,890
Total	$ 51,127,100	$ 49,084,913
Net investment in properties	$131,023,294	$131,668,339

The Central Railroad Company of New Jersey—Investments in Affiliated and Other Companies

Affiliated Companies

Stocks

	Date of Maturity	Percent of Ownership	Par Value		Ledger Value
			Pledged Under Genl. Mortgage	Unpledged	
Allentown Terminal Railroad Company		50%	$ 224,850	$ 150	$ 225,000
Bay Shore Connecting Railroad Company		50%	27,500	400	27,900
Central Railroad Company of Pennsylvania		100%	48,300	1,700	50,000*
Communipaw Central Land Company		100%	1,500	500	2,000
Dover and Rockaway Railroad Company		63.8%	95,000	700	91,955
Edroyal Corporation		100%	749,700	300	750,000
Elizabethport and New York Ferry Company		99%	—	1,460	1,460
Jersey Central Transportation Company		100%	19,500	500	20,000*
Mount Hope Mineral Railroad Company		68.3%	108,800	500	224,233
New York and Long Branch Railroad Company		50%	1,999,400	600	2,000,000
Railway Express Agency, Inc.		1.1%	No par	No par	1,100
Wharton and Northern Railroad Company		100%	499,300	700	1,025,767*
					$4,419,415
*Deduct companies included in consolidated balance sheet					1,095,767
Total					$3,323,648

Bonds

	Date of Maturity	Percent of Ownership	Pledged Under Genl. Mortgage	Unpledged	Ledger Value
Allentown Terminal Railroad Company First Mortgage Gold Bonds	July 1, 1974	46.67%	$ 210,000		$ 210,000
Dover and Rockaway Railroad Company 6% First Mortgage Bonds	‡Jan. 1, 1906	100%	=6,000		6,000
New York and Long Branch R. R. Co. 4% Cons. Mtge. Gold Bonds, Series "B"	Sept. 1, 1981	50%	1,241,000		1,241,000
New York and Long Branch R. R. Co. 5% Cons. Mtge. Bonds, Series "A"	July 1, 1979	50%	269,000		269,000
Total					$1,726,000

‡ Past Due
= Excludes $8,000 par value deposited with Hudson Trust Company, Hoboken, N. J., Trustee under the Dover and Rockaway Railroad Company Mortgage.

Note

	Pledged Under Genl. Mortgage	Ledger Value
Edroyal Corporation 1½%	$ 265,000	$ 265,000

Advances

	Ledger Value
Bay Shore Connecting Railroad Company	$ 5,888
Communipaw Central Land Company	1,666,978
New York and Long Branch Railroad Company	646,530
Railway Express Agency, Inc.	318,070
	$2,637,466
Total Affiliated Companies per consolidated balance sheet	$7,952,114

Other

Stocks

	Pledged Under Genl. Mortgage	Unpledged	Ledger Value
Lehigh and Hudson River Railroad Company	$ 786,900	$ 100	$ 748,287
Raritan River Railroad Company	494,900	400	839,610
Miscellaneous		49	49
Total			$1,587,946

Mortgage

	Pledged Under Genl. Mortgage	Ledger Value
Tug and Barge Supply Company, Inc.	$ 345,501	345,501
Total Other per consolidated balance sheet		$1,933,447

Equipment—As of December 31, 1957

Locomotives

Diesel:	Number of Units	Average Weight (Tons)	Average Tractive Power
Road Passenger 2000 H.P.	6	191.8	63,910
“ Freight 1500 H.P.	20 “A”	125.1	62,550
“ “ 1500 H.P.	10 “B”	122.5	61,266
General Utility 1000 H.P.	6	123.4	61,688
“ “ 1200 H.P.	4	121.4	60,700
“ “ 1500 H.P.	27	127.2	63,580
“ “ 1600 H.P.	30	125.6	62,787
“ “ 1600 H.P. (6 Motors)	15	180.1	90,057
“ “ 2400 H.P. (6 “)	13	192.2	96,082
Yard Switchers	56	111.7	55,879
Total	187	24,762.5	12,189,453
Average		132.4	65,184

Freight Cars

	Number	Capacity (Tons)
Box	2,778	138,260
Coal	3,666	201,000
Gondola—Steel	1,848	128,360
Gondola-Steel Underframe	492	34,300
Ore	8	560
Flat	102	7,260
Cement	624	42,465
Caboose	114	—
Total	9,632	552,205

Passenger Cars

	Number
Coaches	306
Combination Passenger	38
Other Combination	10
Baggage & Express	70
Club	16
Diesel Rail Passenger Coaches	7
Total	447

Marine Department

	Number
Ferryboats	5
Tugboats (Diesel)	3
Open Deck Lighterage—Scows	13
Steam Hoist Lighters	5
Covered Barges	14
Car Floats	8
Water Pile Drivers	2
Company Service (Misc.)	4
Total	54

Rail Work Equipment

	Number
Business Cars	2
Locomotive Cranes (Diesel)	9
Miscellaneous Cars	119
Total	130

Motor Vehicles

	Number
Automobile (Pass.)	7
Trucks—Tractor	1
“ —Trailers	26
“ —Misc.	34
Busses (Maintenance of Way)	2
Total	70

Transportation Statistics

	Year 1957	Year 1956	Percent Increase
Train Miles:			
Freight	1,437,896	1,573,569	♯ 9
Passenger	2,096,721	2,122,425	♯ 1
Total Revenue Service	3,534,617	3,695,994	♯ 4
Work	34,421	48,240	♯29
Total Train Miles	3,569,038	3,744,234	♯ 5
Car Miles:			
Freight—Loaded	54,156,314	61,105,157	♯11
Freight—Empty	30,486,934	31,066,802	♯ 2
Total Freight (incl. Caboose)	86,086,453	93,743,035	♯ 8
Passenger	12,831,663	13,001,470	♯ 1
Gross Ton Miles Freight (Thousands):	4,138,339	4,616,152	♯10
Net Ton Miles (Thousands):	2,153,354	2,452,735	♯12
Freight Trains:			
Average Net Train Load	1,554	1,627	♯ 4
Average Gross Train Load	2,986	3,062	♯ 2
Average Train Speed	14.6	14.4	1
Freight Cars:			
Net Tons per Loaded Car	39.8	40.1	♯ 1
Percent Net to Gross	52.0	53.1	♯ 2
Percent Loaded to Total Car Miles	64.0	66.3	♯ 3
Car Miles per Car Day (of cars in service)	20.3	20.5	♯ 1
Net Ton Miles per Car Day (of cars in service)	475	508	♯ 6
Yard:			
Cars Dispatched per Yard Engine Hour	8.3	8.4	♯ 1
Cost of Fuel and Wages per Car Dispatched	$1.95	$1.81	♯ 8
Passenger Trains:			
Average Cars per Train	6.1	6.1	—
Cost of Fuel and Wages per Train Mile	$1.58	$1.48	7

♯ Denotes Reverse Figure

JERSEY CENTRAL LINES

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania
Wharton and Northern Railroad Company
Jersey Central Transportation Company

Revenues

Years	Freight Revenue	Passenger Revenue	Mail Revenue	Express Revenue	Other Transportation Revenue	Non-Transportation Revenue	Total Operating Revenues
1957	$49,560,929	$6,348,210	$1,463,442	$ 785,466	$476,877	$1,558,116	$60,193,040
1956	52,549,667	5,920,656	1,349,162	916,792	505,325	1,635,012	62,876,614
1955	48,506,587	5,454,254	1,298,191	944,131	490,095	1,620,790	58,314,048
1954	46,841,524	5,353,772	1,506,428	955,078	514,929	1,330,391	56,502,122
1953	53,100,015	5,552,683	1,332,658	955,676	603,676	1,251,826	62,796,534
1952	54,504,290	5,816,784	1,274,422	1,051,151	588,210	1,392,845	64,627,702
1951	54,411,591	5,895,780	1,614,758	561,685	524,739	1,725,127	64,733,680
1950	50,788,750	6,035,395	923,362	546,361	492,756	1,369,693	60,156,317
1949	45,365,593	6,482,452	612,923	308,511	452,321	1,357,457	54,579,257
1948	53,905,753	6,781,867	493,611	708,723	468,250	1,731,253	64,089,457

Expenses

Years	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	Miscellaneous Operations	General	Total Operating Expenses	Percentages of Expenses to Revenue	Net Revenue From Railway Operations
1957	$7,019,570	$10,558,340	$ 947,338	$27,063,265	$ 37,760	$2,816,512	$48,442,785	80.48	$11,750,255
1956	8,589,492	10,887,484	928,364	26,578,128	44,979	2,644,957	49,673,404	79.00	13,203,210
1955	8,518,990	9,982,526	867,354	24,314,403	67,948	2,392,506	46,143,727	79.13	12,170,321
1954	7,979,613	9,665,895	910,112	23,992,064	67,572	2,342,179	44,957,435	79.56	11,544,687
1953	8,964,107	12,152,321	982,339	25,736,801	69,546	2,519,338	50,424,452	80.30	12,372,082
1952	9,178,525	12,091,669	1,006,365	27,096,409	63,106	2,551,588	51,987,662	80.44	12,640,040
1951	8,993,584	12,191,373	984,027	28,496,106	92,637	2,718,183	53,475,910	82.61	11,257,770
1950	8,236,873	10,823,507	931,580	25,198,527	189,767	2,240,390	47,620,644	79.16	12,535,673
1949	7,215,850	9,476,853	915,349	24,451,184	335,446	2,582,518	44,977,200	82.41	9,602,057
1948	8,879,156	10,829,010	948,760	27,616,507	365,703	2,662,732	51,301,868	80.05	12,787,589

Net Railway Operating Income, Fixed Charges and Net Income

Years	Net Railway Operating Income	Other Corporate Income (Net)	Income Available For Fixed Charges	Fixed Charges	Net Income
1957	$3,436,628	$ 856,629	$4,293,257	$4,250,562	$ 42,695
1956	4,634,297	803,988	5,438,285	4,306,575	1,131,710
1955	4,773,865	678,899	5,452,764	4,431,898	1,020,866
1954	3,940,157	588,125	4,528,282	4,513,698	14,584
1953	5,090,705	586,998	5,677,703	4,457,422	1,220,281
1952	5,255,799	711,191	5,966,990	4,336,181	1,630,809
1951	4,517,720	675,019	5,192,739	4,248,379	944,360
1950	6,535,710	488,685	7,024,395	4,244,703	2,779,692
1949	3,991,688	‡ 188,914	3,802,774	4,648,969	‡ 846,195
1948	6,714,496	‡6,424,498	289,998	4,956,153	‡4,666,155

‡ Denotes Reverse Figure.

JERSEY CENTRAL LINES

The Central Railroad Company of New Jersey
Central Railroad Company of Pennsylvania

Wharton and Northern Railroad Company

Revenue Freight Traffic Statistics

Year	Average Mileage Operated	Revenue Tons One Mile Per Mile of Road	Average Rate Per Ton Per Mile (Cents)	Revenue Freight Train Miles	Average Train Load (Revenue Tons)	Average Gross Ton Miles Per Train Hour
1957	626.22	3,387,685	2.33	1,437,896	1,475	42,101
1956	627.11	3,873,976	2.16	1,573,569	1,544	42,172
1955	627.53	3,440,963	2.25	1,479,543	1,459	40,917
1954	627.15	3,322,157	2.25	1,479,779	1,408	39,720
1953	631.27	3,633,994	2.31	1,554,668	1,476	39,112
1952	633.63	3,856,308	2.23	1,610,066	1,518	38,609
1951	635.93	4,102,970	2.08	1,744,220	1,496	39,359
1950	638.17	3,934,330	2.02	1,683,856	1,491	38,882
1949	642.86	3,421,890	2.06	1,570,855	1,400	39,266
1948	645.40	4,498,101	1.86	1,921,713	1,511	38,811

Revenue Passenger Traffic Statistics

Year	Average Mileage Operated (*)	Passengers One Mile	Average Rate Per Passenger Per Mile (Cents)	Total Passenger Train Miles (X)	Total Passenger Train Miles Per Mile Road	Passenger Revenue Per Train Mile	
						Passengers Only	All Sources
1957	276.70	236,068,717	2.69	2,096,721	7,578	$3.03	$4.14
1956	276.70	234,915,052	2.52	2,122,425	7,670	2.79	3.88
1955	276.70	221,097,087	2.47	2,117,690	7,653	2.58	3.67
1954	276.70	226,293,878	2.37	2,152,515	7,779	2.49	3.68
1953	287.76	232,847,416	2.38	2,255,519	7,838	2.46	3.52
1952	354.39	246,120,911	2.35	2,395,076	6,758	2.42	3.43
1951	354.41	259,020,932	2.25	2,425,654	6,844	2.40	3.34
1950	354.41	264,855,281	2.25	2,386,331	6,733	2.50	3.16
1949	354.41	296,440,401	2.16	2,594,090	7,319	2.47	2.85
1948	355.28	338,663,545	1.98	2,678,310	7,539	2.50	2.98

(X) Including Express Trains.
(*) Excludes mileage used exclusively for Freight Traffic.

Track Mileage—December 31, 1957

	Miles of First Main Track	Miles of Additional Main Track	Miles of Yard Tracks and Sidings	Total All Tracks
Owned	377.47	185.00	415.90	978.37
Leased:				
Controlled through ownership of majority of capital stock	4.54	—	2.42	6.96
Not controlled	181.67	73.66	206.01	461.34
Trackage rights granted by other companies	62.54	50.82	37.20	150.56
Total miles of road operated	626.22	309.48	661.53	1,597.23

Freight Revenue by Commodities

COMMODITY	1957	1956
Products of Agriculture:	$ 1,792,240	$ 1,765,378
Animals and Products:	$ 698,182	$ 573,414
Products of Mines:		
Anthracite Coal (Prepared)	$ 4,621,820	$ 5,654,623
Bituminous Coal	7,752,385	8,135,230
Iron Ore	1,142,565	1,014,337
Zinc Ore and Concentrates	224,802	240,570
Sand, Gravel and Crushed Stone	1,560,155	1,914,859
*Other Products of Mines	2,319,283	2,260,280
Total	$17,621,010	$19,219,899
Products of Forests:		
Lumber, Shingles and Lath	$ 541,739	$ 616,591
*Other Products of Forests	389,095	343,273
Total	$ 930,834	$ 959,864
Manufactures and Miscellaneous:		
Refined Petroleum Products	$ 1,678,765	$ 1,752,899
Chemicals—Acids	2,408,340	2,352,505
Sodium (Soda) Products	1,238,146	1,180,385
Alcohol	411,627	447,680
Fertilizers	277,973	228,057
Paints, Putty and Varnish	274,726	257,587
Copper, Brass, Lead, Zinc	989,050	1,020,346
Manufactured Iron and Steel	2,831,819	2,349,360
Cement	4,097,608	4,357,212
Printing Paper	1,012,110	918,752
Paper Products	919,770	904,036
Glass Bottles, Jars and Packing Glasses	685,534	656,897
Liquors—Malt	248,872	252,945
Scrap Iron and Scrap Steel	1,743,117	1,773,023
*Other Manufactures and Miscellaneous	9,320,156	10,142,550
Total	$28,137,613	$28,594,234
Forwarder Traffic CL	$ 1,028,096	$ 997,501
Grand Total—Carload Traffic	$50,207,975	$52,110,290
Less Than Carload Traffic	707,562	810,147
Grand Total Carload and LCL Traffic	$50,915,537	$52,920,437

* Includes Wharton and Northern RR Company

JERSEY CENTRAL LINES

Freight Traffic Offices

Jersey Central Lines maintains Freight Traffic Offices in the cities listed below. Agents in charge of these offices are eager to give every assistance to shippers. You can help us by urging your shipper friends to ask these Agents about Jersey Central Lines service. Or tell your nearest Agent of prospective business that comes to your attention. He'll carry on from there, promptly, courteously and thoroughly.

ALBANY 7, NEW YORK	W. D. Dickerson, General Agent 11 The Plaza—Phone Albany 3-4547
ALLENTOWN, PENNSYLVANIA	J. H. Weiss, Division Freight Agent Allentown, Pa., Passenger Station Phone Hemlock 5-4721
BOSTON 10, MASSACHUSETTS	J. M. Gehring, General Agent 626 Chamber of Commerce Building Phone Liberty 2-5320
BUFFALO 3, NEW YORK	C. R. Everding, General Agent 532 Ellicott Square Phone Washington 1274
CHICAGO 3, ILLINOIS	E. P. Seiwert, General Western Freight Agent 3324 Bankers Building, 105 West Adams Street Phone Randolph 6-1816
CLEVELAND 14, OHIO	F. F. Siegel, General Agent Room 407, Park Building Phone Cherry 1-0968
LONG BRANCH, NEW JERSEY	L. J. Evans, Division Freight Agent Phone Capitol 9-0486
ELIZABETH, NEW JERSEY	E. T. Ginder, Division Freight Agent 405 Division Street Phone Elizabeth 2-7500
NEW YORK 6, NEW YORK	B. J. McSweeney, General Freight Agent 143 Liberty Street Phone Barclay 7-9700
NORTHAMPTON, PA.	B. M. Haberern, Assistant Division Freight Agent Northampton, Pa., Freight Station Phone Colonial 2-4261
PHILADELPHIA 2, PENNSYLVANIA	F. H. Hicks, Assistant General Freight Agent Room 1610, Girard Trust Co. Bldg. 1400 South Penn Square Phone Rittenhouse 6-7390
PITTSBURGH 22, PENNSYLVANIA	J. C. Powers, General Agent Room 801-802, Park Building Fifth Avenue and Smithfield Street Phone Atlantic 1-7404
ST. LOUIS 1, MISSOURI	C. H. McNab, General Agent 532 Arcade Building, 812 Olive Street Phone Central 1-4760
WHARTON, NEW JERSEY	W. J. Desmond, General Agent Main Street Phone Foxcroft 6-0129
NEW YORK 6, NEW YORK 143 Liberty Street Phone Barclay 7-9700	Harry W. Dorigan *Vice President-Traffic* John F. Hourigan *Freight Traffic Manager (Rates)* Victor L. Pernter *Freight Traffic Manager (Sales and Service)* James S. Watson *Coal Traffic Manager*

JERSEY CENTRAL
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